

Exhibit E

**Montana-Dakota Utilities Co.
Refund Plan
Docket No. EL15-024**

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., proposes the following Refund Plan to enable the refunding of the difference between the final overall increase in revenues of \$1,376,183 or 9.9 percent to be effective with service rendered on and after July 1, 2016, as proposed in the Settlement Stipulation and the interim increase of \$2,655,643 or 19.2 percent implemented January 1, 2016.

On November 23, 2015, Montana-Dakota filed its Notice of Intent to Implement Interim Rates pursuant to SDCL 49-34A-17. Effective with service rendered on and after January 1, 2016, Montana-Dakota implemented an interim increase of \$2,655,643 on an annual basis. The interim rate of 21.687 percent is currently being applied to the amounts billed under the Base Rate, Energy Charge, and Demand Charge for each rate schedule and is shown as a separate line item on the bill. The interim rate of 21.687 percent represents the increase in electric revenues excluding revenues collected under the Fuel Clause Adjustment (FCA).

As shown on Attachment A page 3, Montana-Dakota has collected \$719,237 on an interim basis through April 30, 2016. It is estimated that an additional \$499,070 will be collected through the end of the prorate period, or July 31, 2016. In applying the interim rate refund of 48.179 percent to the interim collected, Montana-Dakota estimates a refund requirement of \$586,968 before the application of interest. The interest rate to be applied is seven percent, pursuant to ARSD 20:10:19:08 and will be applied to the

average monthly refund balance. The refund requirement will be adjusted to reflect actual dollars collected when those dollar amounts are available.

Bill credits will be calculated based on the actual interim dollars collected from each customer using the final interim rate refund factor. The application of the refund to customer accounts will be realized within 90 days following the implementation of final rates or no later than October 1, 2016.

The Company is proposing that bill credits be applied to active customer accounts with checks issued in the event a customer account is no longer active and the refund is \$5.00 or greater. Any un-refunded balance associated with inactive customers whose refund of less than \$5.00 and any difference due to rounding will then be credited to the Company's Deferred Fuel Cost Account.

Upon completion of the application of the refund to customer accounts, the Company will submit a compliance filing summarizing the breakdown of the refund by rate class and the amount applied to Deferred Fuel Cost Account.